

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 2759 – HB 2873

February 24, 2010

SUMMARY OF BILL: Upon the approval of the United States Department of Health and Human Services, requires the TennCare program to pay pregnant enrollees receiving prenatal care \$50 for each office visit attended and free transportation based on a limited schedule of prenatal care.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$15,008,900

Increase Federal Expenditures - \$28,851,100

Assumptions:

- According to the Bureau of TennCare, the Centers for Medicare and Medicaid Services (CMS) will approve this type of program.
- Transportation is currently a covered benefit.
- Based on 2007 data, TennCare estimates that there are approximately 43,000 pregnant enrollees each year receiving prenatal care.
- Currently, the number of prenatal office visits for enrollees is 13. The provisions of the bill allow for a maximum of 15 office visits. This will result in two additional prenatal office visits each year for each eligible enrollee.
- TennCare estimates the cost for the office visit and transportation is \$135 per visit resulting in an increase in expenditures of \$11,610,000 (43,000 x \$135 x 2).
- Providing \$50 to each of the 43,000 enrollees 15 times a year will result in an increase in expenditures of \$32,250,000 (\$50 x 43,000 x 15).

- Of the \$43,860,000 (\$11,610,000 + \$32,250,000), \$15,008,892 will be state funds at a rate of 34.22 percent and \$28,851,108 will be federal funds at a match rate of 65.78 percent.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized initial "J".

James W. White, Executive Director

/kml